

CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA EMPLOYEE BENEFITS COMMITTEE

Meeting of Wednesday, October 19, 1977

Attendance: Mr. H. Hemens, Mr. E. A. Lemieux, Prof. A. Dickie, Mr. P. Gore, Prof. C. Goldman, Mr. W. M. Reay, Prof. G. Martin, Mr. C. Waters, Miss M. D. Johnson.

Appointment of a Chairman and Vice Chairman

It was proposed by Mr. Lemieux, seconded by Prof. Martin and unanimously carried that Mr. Hemens be appointed Chairman of the Committee. Professor Martin proposed that Mr. Lemieux be appointed Vice Chairman; the motion was seconded by Prof. Dickie and unanimously carried.

Approval of the Minutes of the meeting held on September 21st, 1977

It was proposed by Prof. Dickie, seconded by Prof. Martin and unanimously carried that the minutes of the September 21, 1977 meeting be approved as circulated.

Appointment of Actuarial Consultants

Mr. Waters related that William M. Mercer had done an excellent job since being appointed to assist in the development of the new Concordia Program. He added that they displayed more depth than either of the previous consulting actuarial firms i.e. Tomenson Alexander and Towers Perrin Forster & Crosby. Professor Dickie added that although Towers Perrin had fulfilled its role adequately, their judgement on occasion could have been better. It was proposed by Mr. Lemieux that William M. Mercer Ltd. be appointed as Actuarial Consultants for a term of two years subject to renewal. The proposal was seconded by Prof. Dickie and unanimously carried.

Fund Custodians

Mr. Waters informed the Committee that Montreal Trust's performance as custodians in the last few years had been less than satisfactory. He mentioned that the annual statements for 1975 had to be revised twice and those of 1976 once. While opening and closing balances were correct, the transactions were wrongly classified. He also mentioned that a very uncommon number of errors had been made in the payment of pensions requiring an inordinate amount of time being spent in tracing these errors as well as a loss of confidence in Montreal Trust's efficiency. Mr. Waters was asked to suggest an alternate custodian. He replied that inquiries had been made into two trust companies; National Trust and Crown Trust. As the fee structure and services offered varied very little between trust companies, performance was the only criteria upon which to base a decision. It was pointed out that National Trust was

well regarded by another Canadian University using their services as well as by Miss Johnson who dealt with them as trustee of her previous employer's pension plan. She added that she had spoken recently with her previous associates and that National's custodial services were still highly regarded by them.

It was also pointed out that National was a substantial national company and that its Montreal Office was located within a block of Concordia.

Professor Goldman proposed that the Secretary invite National Trust to attend a meeting of the Committee in view of their possible appointment. Professor Martin seconded the proposal and it was unanimously carried.

In view of the relatively small portion of the fund held in Manulife's Diversified pooled fund i.e. some \$3 $\frac{1}{4}$ million, it was agreed that contributions to Manulife should cease.

Investment Managers

Professor Martin explained that McLean Budden had been managing the investments of the Sir George Williams portion of the fund only since June 1973, a time period perhaps somewhat short to be able to validly evaluate a fund manager's performance.

Professor Goldman expressed concern at the results of the Wood Gundy report.

It was unanimously agreed that McLean Budden be asked to attend the next meeting to explain their investment strategy and to report on performance to date. Professor Dickie suggested that McLean Budden be asked to make recommendations on how the Units held in the Manulife Fund should be disposed of. He mentioned that the previous liquidation of Montreal Trust Multiple fund units when Sir George fund was created, had been done without much reflection resulting in investment losses. It was agreed that this was a good question to put to McLean Budden.

Approval of Pension Plan Document

Mr. Waters circulated a draft of the Concordia Pension Plan document prepared by William M. Mercer. It was agreed that discussion of the content be held until another meeting.

Next Meeting

It was agreed that two meetings be held in November.

- 1 Friday November 18th: Meeting with National Trust and McLean Budden regarding Custodian and Investment aspects.
- 2 Monday November 28th: Meeting with William M. Mercer regarding Pension Plan document.

Professor Goldman asked if the documentation circulated at the meeting was confidential.

Mr. Hemens answered that the Pension Plan document was in draft form and should be considered confidential until passed. Professor Dickie added that all discussions held in Committee were confidential. He said that if the Committee decided that any information should be disseminated, it would instruct the Secretary to do so.

Mr. Lemieux proposed that the meeting be terminated. Professor Goldman seconded the proposal and it was unanimously carried.

Calvin Heller